

February 20, 2017

Barry Wood
Director Assessment Division
Department of Local Government Finance
Indiana Government Center North
100 North Senate Avenue N1058(B)
Indianapolis, IN 46204

Dear Barry,

We have completed the sales ratio study for the 2017 Posey County trending. All sales that we deemed valid were used, including multi-parcel sales and land sales that have since been improved. We used sales between 1/1/16-12/31/16 for all portions of the ratio study.

For Phase III of the Cyclical Reassessment we reviewed Mount Vernon City (part of Black Township), Point, and Smith Townships.

Residential and Ag Homesites

We grouped the following townships together for the “Res Vacant” portion of the ratio study. The townships that were grouped together were:

Bethel
Black
Center
Harmony
Lynn
Point
Robb
Robinson
Smith

The townships were grouped together because they share similar economic factors. This allowed us to include all sales in a similar area, rather than basing land rates on one or two sales. Rates were changed where necessary. Marris Township was not grouped with any township for this portion of the study. The reason we didn’t group Marris Township with anything is due to the growth of this area. Most of our sales of vacant land have been concentrated in one particular neighborhood (50830). As these sell, the Developer Discount is removed since the land is transferring from the developer to a private owner. As you know, this is not a form of sales chasing. We just wanted you to be aware of why parcels in Neighborhood 50830 were jumping up to near sales values. It isn’t that we are chasing the sales price, but rather we are just eliminating the Developer Discount when each parcel sells from a developer to a private owner.

Also, we grouped the following townships together for the “Improved Residential” portion of the ratio study:

Bethel
Lynn
Point

Each of the following townships was not grouped with another township for the “Improved Residential” section of the Ratio Study. Those townships are:

Black

Center

Harmony

Marrs

Robb

Robinson

Smith

The townships that were grouped together were done so because they share similar economic factors. Also, trending factors have been added to help bring the median ratios closer to 1.00.

We did see an 11% increase for the “Residential Vacant” in Marrs Township. Thirteen parcels affected this increase. They are:

65-13-33-400-021.005-019 (Removed Developer Discount)
65-13-35-301-018.000-019 (Removed Developer Discount)
65-14-04-110-005.000-019 (Removed Developer Discount)
65-14-19-100-004.002-019 (New Parcel)
65-14-04-100-008.008-019 (Removed Developer Discount)
65-13-33-400-021.009-019 (Removed Developer Discount)
65-13-33-103-010.000-019 (Removed Developer Discount)
65-13-35-431-002.000-019 (Changed site rating from Poor to Average)
65-13-26-400-012.007-019 (Removed Developer Discount)
65-13-33-101-003.030-019 (Removed Developer Discount)
65-13-35-301-036.000-019 (Removed Developer Discount)
65-13-35-301-028.000-019 (Removed Developer Discount)
65-13-35-301-017.000-019 (Removed Developer Discount)

We did see an increase of 13% for Bethel Township “Residential Vacant”. One parcel affected this. That parcel was:

65-02-34-200-001.001-020 (New Parcel)

There was a decrease to Center Township “Residential Vacant” of 37%. This was caused by improvements being moved to other parcels. The two parcels that caused this drop are:

65-90-90-950-014.004-005 (Improvements moved to 65-07-24-300-014.004-005)

65-06-08-200-012.003-005 (Improvements moved to 65-06-08-200-012.004-005)

We did see a decrease of 10% of “Residential Vacant” in Robb Township”. This was caused by the removal of all improvements from one parcel. That parcel is:

65-23-17-340-025.000-012

Commercial and Industrial

We grouped all of the Commercial and Industrial properties together (this includes the Commercial Vacant and Industrial Vacant). The construction types and sizes for the Commercial and Industrial properties are very similar, so these two categories were grouped together when we were developing trending factors. They are grouped that way on the ratio study as well. Trending factors were added to help bring the median ratios closer to 1.00, if they were needed at all.

Two parcels in Black Township “Commercial Vacant” had all of their improvements removed which caused a decrease of 12%. Those parcels are:

65-27-08-230-023.001-018 (Improvements Removed)

65-27-08-131-001.000-018 (Improvements Removed)

One parcel in Center Township “Commercial Vacant” was changed from Commercial to Residential. This caused a decrease of 15%. That parcel is:

65-06-07-100-010.006-005

One parcel in Smith Township caused a decrease of around 88% to the “Commercial Vacant”. This parcel had all of the improvements removed. The parcel is:

65-05-24-100-006.000-014

Two parcels in Marrs Township caused an increase of 52% to the “Industrial Vacant”. Those parcels are:

65-14-23-100-005.000-019 (Combination)

65-14-14-400-011.002-019 (New Parcel)

Summary

Almost all of our neighborhoods that had a representative number of sales fell within acceptable range and if they did not, we applied a factor to get them to meet IAAO standards. Any areas that didn't have a fair representation of sales were combined with an adjoining area of similar economic factors. This fact helped us determine that we did have some movement in the marketplace.

Sincerely,

Nancy Hoehn